GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:321
ANSWERED ON:01.03.2002
CREDIT DEPOSIT RATIO OF BANKS
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Will the Minister of FINANCE be pleased to state:

(a) the credit deposits ratio of public sector banks during the last three years, State-wise;

(b) whether the amount of deposits received from the public in Bihar is disbursed as loan in other States;

(c) if so, the reasons therefor;

(d) whether the role of public sector banks in development of Bihar is negligible;

(e) if so, whether the Government have issued any directives to public sector banks in Biharto contribute in the development of that State; and

(f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): The credit deposit ratio of all scheduled commercial banks including public sector banks State-wise for the last three years is given in Annexure.

(d),(e)&(f): In view of the low CD ratio in Bihar, a Special Task Force was set up to study the industry related problems in the State and a Sub-Committee was also formed to studyoperational problems of stepping up credit flow and to suggest measures to increase credit deposit ratio. The progress in implementation of action points that emerged from the study shows that the banks have been making all efforts to improve the CD ratio in the State.Additional liquidity with the banks has been made possible with the reduction in the CRR andBank Rate has been reduced. However, the increase in the flow of bank credit in a State alsodepends upon factors such as availability of adequate infrastructural facilities, development of core sector projects, entrepreneurial initiatives, credit absorption capacity of the State, conducive atmosphere for investment and satisfactory recovery position of bank dues etc.

(b)&(c): No, Sir. Except for the Union Territory of Chandigarh, the CD ratio of these bankshas not exceeded 100 per cent in any other States during the last three years.